

November 1, 2013

Governor Steve Bullock
P.O. Box 200801
Helena, MT 59620-0801

Attorney General Tim Fox
P.O. Box 201401
Helena, MT 59620-1401

Dear Governor Bullock and Attorney General Fox,

We are business people who are writing you in support of the Flathead Reservation Compact and Water Use Agreement. We are concerned about the economic vitality and the future of the greater Flathead Reservation community. We believe that failure to reach a negotiated agreement will lead to years of uncertainty and litigation, neither of which benefits any of the residents of the Flathead Reservation.

Without the Flathead Reservation Compact and Water Use Agreement, we are concerned that future economic development will grind to a halt. Due to Montana Supreme Court rulings in the mid-1990's, every well that has been drilled in this area since 1996 is in a legal limbo. The uncertainty associated with these wells and any potential future wells, including municipal wells, is simply unacceptable should the Flathead Reservation Compact and Water Use Agreement not be approved.

Additionally, the Flathead Reservation Compact and Water Use Agreement provide for tens of millions of dollars in state and federal funding to repair and improve the Flathead Indian Irrigation Project, which is a major economic driver in this area. Much of this money will be spent locally and benefit all area residents and businesses.

We would like take this opportunity to address and rebut some erroneous claims being promoted by Compact opponents:

First, the Compact does not allow Confederated Salish and Kootenai Tribes control of all the water in western Montana, or even on the Flathead Indian Reservation. In fact, simply reading the proposed Water Use Agreement and Compact proves that to be a false claim. The Compact clearly states that Montana will administer all off reservation water, including water rights co-owned between the CSKT and Montana and water rights held by the CSKT. The Water use agreement clearly states that private and secretarial water rights are not included in the Agreement or Compact and that the Montana Water Court will adjudicate those claims. Finally, The CSKT also do not have unilateral jurisdiction on the Flathead Reservation, either. The Compact sets up a six member board, with five voting members to oversee administration of water rights and permits on the Reservation. Only two of these six members are appointed by the CSKT.

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The CSKT have repeatedly proven their ability to work cooperatively with all reservation residents in a wide variety of areas, including their management of Mission Valley Power and with the State of Montana in managing hunting and fishing on the Flathead Reservation.

Second, the Water Use Agreement provides a good, secure water supply for irrigators, including a mechanism for irrigators to continue to receive extra duty water. This provides Flathead Project irrigators with a reliable supply of water, without any litigation costs and also provides large amounts of state and federal dollars to improve the irrigation project. These are dollars that irrigators will not have to raise themselves to affect much needed repairs. This will provide a tremendous injection of money to our local economy.

Third, there is no provision in the Water Use Agreement or Compact that allows the CSKT to monitor or meter wells. The Unitary Management board may require meters on new large wells, as is done in other areas of the state, but that is for the protection of existing small wells, as is done in other areas of the state.

Fourth, the Compact specifically provides a mechanism not only for the protection of existing water uses, such as all the wells that have been drilled since 1996 without any permits, but also provides for the development of future uses, including new wells. These Compact provisions virtually mirror Montana law. Without this provision, all future development within and even outside of the Flathead Reservation will be under a cloud of uncertainty.

The Compact and Water Use agreement provide certainty, security and secures a future for economic development that is now lacking, without spending millions of dollars in litigation costs.

Governor Bullock, we respectfully request your support for the Flathead Reservation Compact to be addressed in a special session of the Montana legislature. We cannot afford the alternative.

Signed:

Ric Smith, Broker Owner Century 21 Big Sky Polson, Hot Springs, Plains 30 years

Tony Porrazzo-City of Poslon

Iron Horse Liver-Polson Business

John A Stark-Contractor of 39 years

David Ottun-Owner/Manager of Western Building Center Resident of Polson,MT for 30 years

Hu Beaver-Hu Beaver Builder Inc. Lifetime resident, 60 years

Dorothy Ashcraft

Mathew O'Neill-O'Neill Law Office PLLC – 31 years in Polson

Fred Kellog-Businessman

Larry Ashcraft

Tim McGinnis-McGinnis Real Estate Appraisal Group, LLC

Martin Olson-Eagle Bank

Hans Lund-Traditional Homes

Rob Sloan-Polson

Rick Skates-Polson

Rod Johnson-Fidelity Title